REMARKS

Claims 1-11 were originally presented for examination. Claims 4, 6, and 9-11 are amended; and new claims 13-14 are added. Accordingly, Claims 1-11, and 13-14 remain for further consideration.

Objection to the Claims:

Claims 9-11 have been objected to on the ground that they are improper dependent claims.

Response:

Each of Claims 9-11 has been placed in independent form and, therefore, the objection based on improper claim dependency has been obviated.

The Section 112 Rejection:

Claims 4, 6, and 10-11 stand rejected under 35 U.S.C. § 112, 2d para.

Response to the Section 112 Rejection:

Claims 4, 6, and 10-11 have been amended to obviate the section 112 rejection.

The Anticipation Rejection of Claims 1-11:

Claims 1-11 presently stand rejected under 35 U.S.C. § 102(e) as being anticipated by Nakano (U.S. Pat. No. 6,391,439).

Response to Anticipation Rejection:

The anticipation rejection based on the Nakano patent is hereby traversed.

The Nakano patent "relates to a rewritable indication label for a recording medium comprising a label base layer, a rewritable indication device layer provided on the label base layer, which can rewritably record and erase visible information, and a protection layer, for protecting the rewritable indication device layer, and a recording medium and a recording medium case."[1] By way of further illustration, where a computer disk, a video cassette, or an audio cassette records data, a film, or a song, respectively, a label is typically applied to the disk or cassette with information about the data, film, or song so that it can later be distinguished from similar media recording devices. That information may be applied to the label by printing, by ball-point pens, or by fountain pens. In the event that additional or different data, films, or songs are later recorded on the recording device, the information on the original label needs to be updated, or a new label needs to be applied over the original label.

The Nakano patent addresses that situation. In one embodiment, the Nakano patent provides a label containing encapsulated magnetic flakes within a binder layer. Orientation of those flakes within the binder layer is affected by application of a magnetic field. The magnetic flakes a asymmetric and reflect light differently depending upon their orientation. Therefore, "writing" information onto the label provides a visually-readable label. Information on the label can be re-written at will by demagnetizing the label and then rewriting new information thereon. In an

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[1] See Col. 1, line 65, through Col. 2, line 5.

alternate embodiment, Nakano provides a thermally-printable label and a chemical erasing system. The alternate label embodiment can thus be erased and thermally printed with new or updated information.

With respect to both embodiments of the Nakano patent, It is important to note that (i) the label information is visible, (ii) the label information and the data on the recording device are stored in separate locations, and (iii) the information on the label does not provide a security indicator capable of informing whether data on the separate recording device has been altered.

In the Nakano patent, the label content and the recording device content are independent from one another. The system user can store any desired information on the label, as well as any desired content in the recording device. Changing the label information does not affect the content of the recording device, and *vice versa*.

Turning now to the present invention, a vastly different process has been provided. In the present invention, a security method for verification of the accuracy and authenticity of magnetically stored information is provided. Certainly, the magnetically stored information can be stored on a disc, a cassette, a tape, or the like. Moreover, the magnetically stored information is not limited to a document – it may comprise, without limitation, any alphanumeric information, and may include data, recorded sound, recorded images, photographs, or the like. In accord with the present invention, both the primary alphanumeric data and a magnetic reference image (graphic, pictorial, or the like) are stored in the same storage location of the recording device. Accordingly, should tampering occur with the primary alphanumeric data being overwritten, the reference image is also disrupted. While it

is trivially easy to replace alphanumeric data, accurate replacement of the magnetic reference image is difficult. Moreover, while tampering with the alphanumeric data can be detected by tedious comparison of the entire alphanumeric data set, it is much easier to detect the changed data set by merely examining the magnetic reference image – which is not even visible.

Claims 1 and 9 Are Not Anticipated:

The independent method claims of this application, Claims 1 and 9, recite the steps of making the reference image visible through a distribution of particulate magnetic material placed in proximity thereto, and comparing that distribution of particulate magnetic material to a reference image to determine whether exposure to a magnetic field capable of altering the magnetic data or image has occurred.

For anticipation under 35 U.S.C. § 102, a single prior art reference must disclose explicitly or inherently every claimed feature of the claim. Neither of the recited steps in either Claim 1 or Claim 9 is disclosed by the Nakano patent. Accordingly, the Nakano patent does not anticipate either Claim 1 or Claim 9. Since the rejection of Claims 1 and 9 on the ground of anticipation is thus improper, Applicant respectfully requests that the anticipation rejection be withdrawn and that Claims 1 and 9 be allowed.

Independent Claims 10 and 11 Are Not Anticipated:

Independent Claims 10 and 11 are directed to sheet product suitable for verification of authenticity and lack of tampering. In both Claims 10 and 11 a reference image and alphanumeric data are stored in the same magnetic material or

layer. In both claims, the reference image is made visible by a distribution of particulate magnetic material when placed in proximity to the magnetic layer. And in both claims, comparison of that distribution of particulate magnetic material with the reference image is indicative of exposure to a magnetic field capable of altering the stored information.

Here again, the Nakano patent does not disclose (i) a layer containing both a magnetic reference image and magnetically stored information or data, (ii) a reference image made visible by a distribution of particulate magnetic material, or (iii) a reference image having a change when exposed to a magnetic field capable of altering the stored information. For anticipation, the prior art reference must explicitly or inherently disclose every feature of the claim, including the foregoing. Because Nakano fails to disclose at least the foregoing features of Claims 10 and 11, Nakano fails to anticipate either Claim 10 or Claim 11. Accordingly, Applicant respectfully requests that the anticipation rejection of Claims 10 and 11 be withdrawn and that Claims 10 and 11 be allowed.

Dependent Claims 2-8 Are Not Anticipated:

Claims 2-8 depend directly or ultimately from Claim 1 and are allowable therewith. Moreover, these dependent claims introduce additional features to the method of Claim 1 that provide further and independent bases for allowability of the dependent claims.

CONCLUSION:

In view of the foregoing, Applicant respectfully submits that Claims 1-11 are in full condition for allowance.

If there are any questions concerning this paper or the application in general, the Examiner is invited to telephone the undersigned.

Respectfully submitted,

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